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January 9, 2001

VIA OVERNIGHT DELIVERY

David Waddell, Executive Secretary
Tennessee Regulatory Authority
460 James Robertson Parkway
Nashville, TN 37243-0505


RE: Rulemaking Amendments of Regulations for Telephone Service Providers,
Docket No. 00-00873

Dear Mr. Waddell:

Enclosed for filing in the above-referenced proceeding are an original and twelve copies of the Workshop I Comments of Ardmore Telephone Company, Inc.; CenturyTel of Adamsville, Inc.; CenturyTel of Claiborne, Inc.; CenturyTel of Ooltewah-Collegedale, Inc.; Crockett Telephone Company, Inc.; West Tennessee Telephone Company, Inc.; Peoples Telephone Company; Loretto Telephone Company, Inc.; and United Telephone Company.

Please stamp as received the enclosed copy marked "stamp and return" and return it in the enclosed postage-paid envelope.

Sincerely,


John B. Adams, Esq.

BEFORE THE TENNESSEE REGULATORY AUTHORITY

NASHVILLE, TENNESSEE

IN RE:

)
)
AMENDMENTS TO CHAPTER 1220-4-2,)
REGULATIONS FOR TELEPHONE)
TELECOMMUNICATIONS SERVICE)
PROVIDERS)

Docket No. 00-00873

WORKSHOP I COMMENTS

Ardmore Telephone Company, Inc.; CenturyTel of Adamsville, Inc.; CenturyTel of Claiborne, Inc.; CenturyTel of Ooltewah-Collegedale, Inc.; Crockett Telephone Company, Inc.; West Tennessee Telephone Company, Inc.; Peoples Telephone Company; Loretto Telephone Company, Inc.; and United Telephone Company, (collectively, the "Independents") by counsel, jointly submit these comments in response to the September 29, 2000 Notice of Rulemaking ("Notice") regarding amendments to the Regulations for Telephone Telecommunications Service Providers and the December 15, 2000 Order Granting Motion in Part to Establish Workshops and Extended Deadline for Filing Comments ("Scheduling Order"). In the Notice, the Tennessee Regulatory Authority ("TRA") proposed to delete Rules 1220-4-2-.01 through .42 in their entirety and to replace them with new rules. In the Scheduling Order, the TRA established a schedule for conducting a series of three workshops and for filing comments on certain portions of the proposed rules prior to each workshop. These comments are filed in preparation for Workshop I.

The Independents are also joining in the Industry consensus comments that are being filed separately. The Independents, however, reserve the right to participate fully in the workshops and other proceedings relating to the proposed rules in their own right, independent of their participation in consensus comments with the Industry.

I. SCOPE OF REGULATIONS

Proposed Rule 1220-4-2-.02 states in part that “[t]he purpose of this Chapter is to establish minimum quality of service standards and general regulations for all telecommunications service providers The regulations are designed to ensure that Tennesseans continue to have access to quality telephone services in an emerging competitive telecommunications environment.” The Independents are not convinced of the need for more stringent service quality standards. Further, they believe that the level of regulation should be decreasing in the increasingly competitive marketplace identified by the TRA. The proposed rules, however, take the opposite approach of increasing the level of regulation as competition develops.

A. There Is No Need for More Stringent Service Quality Standards

The Independents pride themselves on providing high quality service to their customers and on being responsive to customer needs. More than any regulatory requirement, the Independents’ commitment to quality service flows from a sense of community. Management and employees of the Independents are friends and neighbors with their customers to an extent that simply is not possible with large companies. These small companies work hard to ensure that their friends and neighbors, the people they meet on the street, in the grocery store, and at the local gas station, are happy with the service they provide.

As a result of this commitment and hard work, the Independents have come to provide a level of service that exceeds that mandated by the existing TRA rules and that, more importantly, satisfies their customers. There is no ground swell of customer angst about the Independents providing poor service. Customers are not filing large numbers of complaints or writing to the TRA or to their legislators complaining of poor service by the Independents. There is, therefore, no need to impose additional or onerous service quality requirements on the Independents.

Nor are the Independents aware of a need to impose such requirements on the telecommunications industry in Tennessee generally. The Independents believe that Tennesseans generally receive high quality telecommunications services. To the extent, however, that particular carriers may be the subject of unacceptably large numbers of complaints or are otherwise believed to not be providing an adequate level of service to their customers, the TRA has sufficient authority and tools at its disposal to address those situations. If in fact the TRA believes that some carriers are not providing quality service, it should use the ample tools available to it to address the situation. It should not, however, effectively punish the entire industry for the shortcomings of a one or a few carriers by imposing the onerous standards and unneeded corrective measures contained in the proposed rules.

The existing rules have served consumers well. That is not to say, however, that the rules could not be improved. Indeed, it may be wise to update the rules to reflect the increasingly competitive telecommunications marketplace in Tennessee. Competition, however, favors streamlining and reducing regulation, not increasing it.

B. Regulation Should Decrease as Competition Increases

1. Less Regulation is Required as the Telecommunications Marketplace Becomes Increasingly Competitive

In a competitive marketplace, only those telecommunications service providers that provide superior service will survive. Competition will ensure the demise of those providers who fail to provide high quality service. Thus, as competition grows, the need for regulations to ensure that carriers provide quality service diminishes. The telecommunications marketplace in Tennessee is becoming increasingly competitive and all incumbent carriers face actual or potential competitive entry. Therefore, rather than adopting the more stringent standards and onerous penalties that it has proposed, the TRA should be streamlining and reducing regulation.

2. The FCC Provides a Model

The Federal Communications Commission recently proposed to eliminate reporting requirements for more than 24 categories of service quality measures because the traditional regulatory approach to ensuring service quality “no longer make[s] sense in today’s marketplace.”¹ Rather than attempting to force carriers to meet certain quality standards by regulatory fiat, the FCC has taken the approach of using reporting requirements as a means of arming customers with information about each carrier’s service quality so that customers can make informed decisions.² Additionally, the FCC is being very cautious about imposing additional

¹ 2000 Biennial Regulatory Review – Telecommunications Service Quality Reporting Requirements, Notice of Proposed Rulemaking, CC Docket 00-229, FCC 00-399 (released November 9, 2000) at para. 2 (“FCC NPRM”).

² FCC NPRM at para. 3.

regulatory burdens and costs on carriers unless those burdens and costs are fully and completely justified by the need to adequately inform customers.³

The FCC is obviously willing to let the market work, and is only using regulation to ensure that consumers have sufficient information to ensure that the market works efficiently and effectively. This is the essential premise underlying regulation of financial markets in the United States, which has the most efficient financial markets in the world. The Independents respectfully urge the TRA to take a similar approach.

III. CONCLUSION

The proposed new rules are not needed to ensure that Tennessee telecommunications consumers receive high quality telecommunications services. There is no groundswell of dissatisfaction with the quality of telecommunications service in Tennessee. To the extent that some companies are failing to provide service at adequate levels, the TRA should use the tools available to it to address such matters. The TRA should not, however, punish the entire industry. Further, in the increasingly competitive telecommunications marketplace, the level of regulation should be decreasing rather than increasing. Competition will ensure the provision of service at a

³ See, e.g., FCC NPRM at para. 10.

quality level consumers demand. Therefore, the TRA should take a deregulatory approach to service quality standards.

Respectfully submitted,

Ardmore Telephone Company, Inc.;
CenturyTel of Adamsville, Inc.; CenturyTel
of Claiborne, Inc.; CenturyTel of Ooltewah-
Collegedale, Inc.; Crockett Telephone
Company, Inc.; West Tennessee Telephone
Company, Inc.; Peoples Telephone
Company; Loretto Telephone Company,
Inc.; and United Telephone Company

By:

A handwritten signature in cursive script, appearing to read "John B. Adams", is written over a horizontal line.

John B. Adams

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